

February 14, 1996

**By Telecopy**

Carla J. Foran, Esq.  
Arnold & Porter  
399 Park Avenue  
New York, NY 10022-4690

Re: Sanyo Commercialization Agreement

Dear Carla:

Will you please call to discuss incorporating the following revisions in the draft Sanyo Commercialization and Purchase Agreement you prepared on February 1st. I'll explain as soon as you have a few minutes to chat.

Paragraph 1.(o), third line, after Sanyo Energy, please insert "or a Sanyo Energy Designee".

Paragraph 1.(p), third line, after Sanyo Energy, please insert "or a Sanyo Energy Designee"; fourth line, after Philip Morris, please insert "or a PM Designee".

Paragraph 1.(s), please substitute the following and re-letter subsequent subparagraphs accordingly.

(s) Sanyo Energy Designee is Sanyo Electric Co., Ltd. or an alternative parent or affiliate of Sanyo Energy designated by Sanyo Energy to sell Product to Philip Morris or a PM Designee in accordance with the terms of this Agreement.

Paragraph 3. Please insert the following subparagraphs (b) and © and re-letter subparagraph (b) accordingly.

(b) This Agreement further anticipates that, if and when, following the Commercial Production Date, deliveries of Product by Sanyo Energy to Philip Morris are suspended or delayed for a period in excess of \_\_\_\_ days and Philip Morris requests that Sanyo Energy do so, Sanyo Energy shall designate a Sanyo Energy Designee to assume responsibility for sales of Product to PM Designees in accordance with the terms of this Agreement.

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(c) This Agreement further anticipates that, subject to the advance approval of Sanyo Energy and Philip Morris, which approvals will not be unreasonably withheld or delayed, if and when requested by a PM Designee, Sanyo Energy shall designate a Sanyo Energy Designee to assume responsibility for sales of Product to the requesting PM Designee in accordance with the terms of this Agreement.

Paragraph 36. Please add the following sentence at the end of the existing paragraph.

If and when such an event or circumstance arises and continues for a period in excess of \_\_ days, Philip Morris shall designate a PM Designee or Sanyo Energy shall designate a Sanyo Designee if such designation or designations may serve to facilitate the continued performance and viability of this Agreement despite such an event or circumstance.

Thank you for your continued assistance, Carla. Please call if you would like to discuss the requested revisions.

Sincerely,

Virginia Murphy

cc: Kevin Osborne, Esq.

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